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Grassley asks 20 Philly law firms for PHA data

By Mark Fazlollah
Inquirer Staff Writer

U.S. Sen. Charles E. Grassley (R., Iowa) requested Tuesday that 20 Philadelphia law firms disclose all fees they have earned from the Philadelphia Housing Authority since 2003, citing concerns about PHA's "misuse" of federal funds as well as a series of sexual-harassment settlements.

Grassley, the ranking Republican on the Senate Finance Committee, asked the firms in writing for all fees earned, bills submitted, summaries of work performed, and names of lawyers performing work for PHA.

The request came as part of a broader review Grassley began in August following reports that former Executive Director Carl R. Greene settled sexual-harassment claims filed against him without informing the agency's board.

Greene was fired by the board in September and has since filed suit against the Housing Authority, saying his reputation had been unfairly tarnished and demanding back pay. He has denied all of the sexual-harassment allegations and defended his management practices.

In demanding financial information from the law firms, Grassley noted that three sexual-harassment claims filed against Greene by former PHA employees had been settled for \$648,000 without the board's knowledge.

"Taxpayers deserve an accounting of what's gone on so that it can be stopped," he said in a news release accompanied by a copy of a letter to one of the firms from which he has requested information, Ballard, Spahr, Andrews & Ingersoll.

Ballard was paid \$9 million in fees by PHA between 2007 and early 2010, the only period for which PHA has released information. The agency paid a total of \$33 million in legal fees during that time.

Ballard chairman Arthur Makadon could not be reached for comment.

"The local housing authority reportedly has a record of trying to cover its tracks where it's spent tax dollars either inappropriately or in a way that would embarrass its leadership," Grassley said.

The U.S. Department of Housing and Urban Development, Grassley said, "has continued to provide tax dollars even after it's clear that there's not responsible stewardship of those dollars. Both situations are an affront to taxpayers, and taxpayers deserve an accounting of what's gone on so that it can be stopped."

Representatives of several of the other 20 firms said in interviews that they would be restricted in what they could release to Grassley because of lawyer-client confidentiality.

Those who spoke about the letter requested anonymity until they had received permission from PHA to talk.

Asked about Grassley's letter, James J. Eisenhower of Schnader, Harrison, Segal & Lewis said: "No comment."

PHA spokeswoman Nichole L. Tillman said in a statement that the agency was working with the law firms on how to

respond appropriately.

"We respect and share the senator's concern over waste, fraud, and abuse, and are implementing safeguards to ensure that taxpayer money is not misspent," Tillman said.

In addition to Ballard Spahr and Schnader Harrison, the other firms sent letters by Grassley are Cozen O'Connor; Duane Morris; Fox Rothschild; Buchanan, Ingersoll & Rooney; Blank Rome; and Eckert, Seamans, Cherin & Mellott.

Also, Bowman Kavulich; Archer & Greiner; Margolis Edelstein; Reed Smith; Haines & Associates; Kolber & Freiman; Flaster/Greenberg; Cohen & Grigsby; Greenberg Traurig; Hangle, Aronchick, Segal & Pudlin; Kelly, Monaco & Naples; and Smyler & Gentile.

Also Tuesday, five current and former PHA maintenance workers filed a federal lawsuit against the agency complaining that PHA effectively eliminated their jobs after they reported a contractor's complaints about alleged extortion.

The suit said they had reported complaints that former PHA official Kerri Bizzell was demanding kickbacks in exchange for awarding PHA work. Bizzell, who is awaiting trial on a 22-count federal extortion indictment, was not named as a defendant in the lawsuit.

In addition to PHA, the suit names former PHA supervisor Daniel Quimby as a defendant. Quimby has denied wrongdoing, saying the five were moved from their jobs on orders by Greene, who is not listed as a defendant.

The plaintiffs are Harry O'Neill, who worked from 1995 until January 2009 as supervisor of PHA's Small Contracts Department, and four current employees - Jose Nunes, John Modres, Drucilla Smith, and Osgood Pope Jr.

Although Bizzell is not a defendant in the suit, much of the complaint focuses on her alleged actions, repeating some of the points listed in her federal indictment.

The suit says PHA fired Bizzell in late 2008 after it discovered that she did not disclose her criminal record on her job application. Court records show Bizzell was found guilty of forgery in 1997.

The suit said O'Neill and Nunes told Quimby, their superior, about the contractor's complaints.

In January 2009, outside lawyers working with PHA questioned the two. After talking with the lawyers, the suit said, O'Neill was ordered to move out of his office and forced to retire in February 2009.

It said the other four workers got new supervisors but "have not been given any work even though they have remained on the PHA's payroll."

The suit states that Bizzell "was giving special treatment to General Asphalt Paving Co. at the behest of her supervisors, including defendant Quimby." It gives no details about special treatment.

Neither Bizzell nor her attorney in the federal criminal case responded to requests for comment.

Quimby said in an interview Tuesday that he gave no special benefits to General Asphalt. He said he regularly asked that the firm be given emergency work because it could do paving jobs on a moment's notice, even during Christmas and other vacations.

After he retired from PHA in March, Quimby worked briefly with General Asphalt. The company also denied wrongdoing.

Quimby said Greene disbanded the small contracts unit, apparently after talking with the same contractor who complained to O'Neill and Nunes. Quimby said he merely carried out Greene's orders in moving the five men from their jobs.

PHA's Tillman said the lawsuit had no merit.

"It was PHA's own investigation that uncovered wrongdoing within the Small Contracts Department and which led to the disbanding of the department," she said. "The employees filing this lawsuit were not found to be involved in the wrongdoing and were therefore not penalized in any way."

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